

Message Text

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17

ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 L-03 COME-00 TRSE-00 OMB-01

CIAE-00 INR-11 NSAE-00 /049 W
----- 022370

R 260810Z SEP 74

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 9351

UNCLAS NAIROBI 8218

E.O. 11652: N/A

TAGS: EFIN, OPIC, KE, US

SUBJECT: USG/GOK BILATERAL RE OPIC INVESTMENT
GUARANTIES

REF: STATE 207507

1. OPIC'S UNDERSTANDING THAT USDO MAINTAINS A LOCAL CURRENCY ACCOUNT IN EACH HOST COUNTRY IS CORRECT. THERE SEEMS TO BE SOME MISUNDERSTANDING, HOWEVER, ABOUT THE EXACT NATURE OF THIS ACCOUNT AS WELL AS ABOUT THE NUMBER OF SHILLING ACCOUNTS USED BY THE EMBASSY.

2. IN PREVIOUS TELEGRAMS, THE EMBASSY HAS DISCUSSED "THE EMBASSY'S EXTERNAL SHILLING ACCOUNT." THIS ACCOUNT AND THE USDO LOCAL CURRENCY, I.E., KENYA SHILLINGS, ACCOUNT ARE THE SAME ACCOUNT. THIS ACCOUNT IS USED TO MEET ALL LOCAL EXPENSES OF THE EMBASSY AND WAS USED TO DEPOSIT KENYA SHILLINGS OBTAINED FROM ATWELL.

3. KENYA SHILLINGS CANNOT BE DEPOSITED IN THIS ACCOUNT WITHOUT THE PRIOR APPROVAL OF THE GOK. EVEN IF USDO/EMBASSY HAD A "LOCAL SHILLING" ACCOUNT, PRIOR APPROVAL FROM GOK WOULD STILL BE NECESSARY FOR DEPOSIT OF FUNDS INVOLVED IN OPIC CLAIM AS SUCH FUNDS WOULD HAVE BEEN BLOCKED BY

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GOK. IF THEY WEREN'T BLOCKED, NO CLAIM SITUATION

WOULD EXIST.

4. WITH CLARIFICATION OF GOK POSITION OUTLINED IN
NAIROBI'S 7740, EMBASSY DOES NOT FORESEE THAT
PRESENT SITUATION WILL CAUSE PROBLEMS AS LONG AS
GOODWILL EXISTS ON GOK SIDE.

5. IN LIGHT OF ABOVE, EMBASSY WILL NOT ADVISE GOK
OF PROCEDURE PROPOSED PARA 5 REFTTEL.
MARSHALL

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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